

| | | | |
|--------------------------|---|------------------------|-----------------------|
| SERFF Tracking Number: | PHYS-127189272 | State: | Arkansas |
| Filing Company: | Physicians Mutual Insurance Company | State Tracking Number: | 48918 |
| Company Tracking Number: | | | |
| TOI: | MS08I Individual Medicare Supplement - Standard Plans 2010 | Sub-TOI: | MS08I.011 Plan N 2010 |
| Product Name: | Plan N Medicare Supplement Rates | | |
| Project Name/Number: | / | | |

Filing at a Glance

Company: Physicians Mutual Insurance Company

Product Name: Plan N Medicare Supplement SERFF Tr Num: PHYS-127189272 State: Arkansas
Rates

TOI: MS08I Individual Medicare Supplement - SERFF Status: Closed-Approved- State Tr Num: 48918
Standard Plans 2010 Closed

Sub-TOI: MS08I.011 Plan N 2010 Co Tr Num: State Status: Approved-Closed
Filing Type: Rate Reviewer(s): Stephanie Fowler

Author: Sonja Morton Disposition Date: 07/07/2011
Date Submitted: 05/27/2011 Disposition Status: Approved-Closed

Implementation Date Requested: On Approval Implementation Date:
State Filing Description:

General Information

| | |
|--|---|
| Project Name: | Status of Filing in Domicile: Not Filed |
| Project Number: | Date Approved in Domicile: |
| Requested Filing Mode: Review & Approval | Domicile Status Comments: This is an Arkansas specific filing. |
| Explanation for Combination/Other: | Market Type: Individual |
| Submission Type: New Submission | Individual Market Type: |
| Overall Rate Impact: | Filing Status Changed: 07/07/2011 |
| | State Status Changed: 07/07/2011 |
| Deemer Date: | Created By: Sonja Morton |
| Submitted By: Sonja Morton | Corresponding Filing Tracking Number: |
| Filing Description: | |
| RE: Individual Medicare Supplement | |
| Actuarial Memorandum for Plan N | |
| Rates: P029AR-052711 | |

The captioned rates are submitted for your review and approval. The rates will replace those approved with our P029AR Plan N Medicare Supplement filing approved by your Department on May 11, 2011 in Arkansas Tracking No. 48457 and SERFF Tracking No. PHYS-127059634.

| | | | |
|---------------------------------|---|-------------------------------|------------------------------|
| <i>SERFF Tracking Number:</i> | <i>PHYS-127189272</i> | <i>State:</i> | <i>Arkansas</i> |
| <i>Filing Company:</i> | <i>Physicians Mutual Insurance Company</i> | <i>State Tracking Number:</i> | <i>48918</i> |
| <i>Company Tracking Number:</i> | | | |
| <i>TOI:</i> | <i>MS08I Individual Medicare Supplement - Standard Plans 2010</i> | <i>Sub-TOI:</i> | <i>MS08I.011 Plan N 2010</i> |
| <i>Product Name:</i> | <i>Plan N Medicare Supplement Rates</i> | | |
| <i>Project Name/Number:</i> | <i>/</i> | | |

The rates filed and approved with the Plan N filing identified above have not been implemented in your state. We request that you please replace the rates and Actuarial Memorandum submitted with the original filing with those included in this filing.

Thank you for your review and approval of this filing. If anything additional is needed, please contact me via SERFF, or at the e-mail address or phone number listed below.

Sincerely,

Sonja Morton
Product Approval & Compliance Coordinator
Government and Industry
Voice: 402-633-1662
Fax: (402) 633-1096
E-mail: sonja.morton@physiciansmutual.com

Company and Contact

Filing Contact Information

| | |
|--|-----------------------------------|
| Sonja Morton, Policy Approval & Compliance Coordinator | sonja.morton@physiciansmutual.com |
| 2600 Dodge Street | 402-633-1662 [Phone] |
| Omaha, NE 68131 | 402-633-1096 [FAX] |

Filing Company Information

| | | |
|-------------------------------------|-------------------------|-----------------------------|
| Physicians Mutual Insurance Company | CoCode: 80578 | State of Domicile: Nebraska |
| 2600 Dodge Street | Group Code: 367 | Company Type: |
| Omaha, NE 68131 | Group Name: | State ID Number: |
| (402) 633-1188 ext. [Phone] | FEIN Number: 47-0270450 | |

Filing Fees

| | |
|---------------|---------|
| Fee Required? | Yes |
| Fee Amount: | \$50.00 |
| Retaliatory? | No |

SERFF Tracking Number: PHYS-127189272 State: Arkansas
Filing Company: Physicians Mutual Insurance Company State Tracking Number: 48918
Company Tracking Number:
TOI: MS08I Individual Medicare Supplement - Sub-TOI: MS08I.011 Plan N 2010
Standard Plans 2010
Product Name: Plan N Medicare Supplement Rates
Project Name/Number: /
Fee Explanation: The filing fee for each Accident and Health rate filing is \$50.00 per form. Since we are filing a rate filing for one form, the filing fee is \$50.00.
Per Company: No

| COMPANY | AMOUNT | DATE PROCESSED | TRANSACTION # |
|-------------------------------------|---------|----------------|---------------|
| Physicians Mutual Insurance Company | \$50.00 | 05/27/2011 | 48132268 |

SERFF Tracking Number: PHYS-127189272 State: Arkansas
Filing Company: Physicians Mutual Insurance Company State Tracking Number: 48918
Company Tracking Number:
TOI: MS08I Individual Medicare Supplement - Sub-TOI: MS08I.011 Plan N 2010
Standard Plans 2010
Product Name: Plan N Medicare Supplement Rates
Project Name/Number: /

Correspondence Summary

Dispositions

| Status | Created By | Created On | Date Submitted |
|-----------------|------------------|------------|----------------|
| Approved-Closed | Stephanie Fowler | 07/07/2011 | 07/07/2011 |
| Disapproved | Stephanie Fowler | 06/27/2011 | 06/27/2011 |

Objection Letters and Response Letters

| Objection Letters | | | | Response Letters | | |
|---------------------------|------------------|------------|----------------|------------------|------------|----------------|
| Status | Created By | Created On | Date Submitted | Responded By | Created On | Date Submitted |
| Pending Industry Response | Stephanie Fowler | 06/10/2011 | 06/10/2011 | Sonja Morton | 06/10/2011 | 06/10/2011 |

Amendments

| Schedule | Schedule Item Name | Created By | Created On | Date Submitted |
|---------------------|----------------------------------|--------------|------------|----------------|
| Supporting Document | Health - Actuarial Justification | Sonja Morton | 06/28/2011 | 06/28/2011 |

SERFF Tracking Number: *PHYS-127189272* State: *Arkansas*
 Filing Company: *Physicians Mutual Insurance Company* State Tracking Number: *48918*
 Company Tracking Number:
 TOI: *MS08I Individual Medicare Supplement - Standard Plans 2010* Sub-TOI: *MS08I.011 Plan N 2010*
 Product Name: *Plan N Medicare Supplement Rates*
 Project Name/Number: */*

Disposition

Disposition Date: 07/07/2011

Implementation Date:

Status: Approved-Closed

Comment:

| Company Name: | Overall % Indicated Change: | Overall % Rate Impact: | Written Premium Change for this Program: | # of Policy Holders Affected for this Program: | Written Premium for this Program: | Maximum % Change (where required): | Minimum % Change (where required): |
|--|-----------------------------------|---------------------------|--|---|---|--|--|
| Physicians Mutual Insurance Company | 0.000% | 0.000% | \$0 | 0 | \$0 | 0.000% | 0.000% |

SERFF Tracking Number: *PHYS-127189272* *State:* *Arkansas*
Filing Company: *Physicians Mutual Insurance Company* *State Tracking Number:* *48918*
Company Tracking Number:
TOI: *MS08I Individual Medicare Supplement -* *Sub-TOI:* *MS08I.011 Plan N 2010*
 Standard Plans 2010
Product Name: *Plan N Medicare Supplement Rates*
Project Name/Number: /

| Schedule | Schedule Item | Schedule Item Status | Public Access |
|--------------------------------------|----------------------------------|-----------------------------|----------------------|
| Supporting Document (revised) | Health - Actuarial Justification | Approved-Closed | No |
| Supporting Document | Health - Actuarial Justification | Disapproved | No |
| Rate | P029AR Rates Reduction | Approved-Closed | Yes |

SERFF Tracking Number: *PHYS-127189272* State: *Arkansas*
Filing Company: *Physicians Mutual Insurance Company* State Tracking Number: *48918*
Company Tracking Number:
TOI: *MS08I Individual Medicare Supplement - Standard Plans 2010* Sub-TOI: *MS08I.011 Plan N 2010*
Product Name: *Plan N Medicare Supplement Rates*
Project Name/Number: */*

Disposition

Disposition Date: 06/27/2011

Implementation Date:

Status: Disapproved

Comment: As I previously stated; AR Code Ann. 23-79-109(a)(4) states, "all Medicare supplement rates shall be based on a composite age basis only, and shall not be based on any age banding or other groupings." With that being said, we cannot approve your request to convert to two rating structures with the rates varying for different ages.

| Company Name: | Overall % Indicated Change: | Overall % Rate Impact: | Written Premium Change for this Program: | # of Policy Holders Affected for this Program: | Written Premium for this Program: | Maximum % Change (where required): | Minimum % Change (where required): |
|--|-----------------------------------|---------------------------|--|---|---|--|--|
| Physicians Mutual Insurance Company | 0.000% | 0.000% | \$0 | 0 | \$0 | 0.000% | 0.000% |

SERFF Tracking Number: *PHYS-127189272* *State:* *Arkansas*
Filing Company: *Physicians Mutual Insurance Company* *State Tracking Number:* *48918*
Company Tracking Number:
TOI: *MS08I Individual Medicare Supplement -* *Sub-TOI:* *MS08I.011 Plan N 2010*
 Standard Plans 2010
Product Name: *Plan N Medicare Supplement Rates*
Project Name/Number: /

| Schedule | Schedule Item | Schedule Item Status | Public Access |
|--------------------------------------|----------------------------------|-----------------------------|----------------------|
| Supporting Document (revised) | Health - Actuarial Justification | Approved-Closed | No |
| Supporting Document | Health - Actuarial Justification | Disapproved | No |
| Rate | P029AR Rates Reduction | Approved-Closed | Yes |

SERFF Tracking Number: PHYS-127189272 State: Arkansas
Filing Company: Physicians Mutual Insurance Company State Tracking Number: 48918
Company Tracking Number:
TOI: MS08I Individual Medicare Supplement - Sub-TOI: MS08I.011 Plan N 2010
Standard Plans 2010
Product Name: Plan N Medicare Supplement Rates
Project Name/Number: /

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 06/10/2011
Submitted Date 06/10/2011
Respond By Date 07/11/2011

Dear Sonja Morton,

This will acknowledge receipt of the captioned filing.

Objection 1

- Health - Actuarial Justification (Supporting Document)

Comment: The page numbers on this form reflect that there are 10 pages, however, only four are showing up. Please attach the rest of this information or advise that all the information you intended to send is attached.

Objection 2

- Health - Actuarial Justification (Supporting Document)

Comment: AR Code Ann. 23-79-109(a)(4) states, "all Medicare supplement rates shall be based on a composite age basis only, and shall not be based on any age banding or other groupings." According to the Actuarial Certification your company is intending on going to two rating structures with the rates varying for every age. Please advise if this is actually the case.

Please feel free to contact me if you have questions.

Sincerely,

Stephanie Fowler

| | | | |
|--------------------------|---|------------------------|-----------------------|
| SERFF Tracking Number: | PHYS-127189272 | State: | Arkansas |
| Filing Company: | Physicians Mutual Insurance Company | State Tracking Number: | 48918 |
| Company Tracking Number: | | | |
| TOI: | MS08I Individual Medicare Supplement - Standard Plans 2010 | Sub-TOI: | MS08I.011 Plan N 2010 |
| Product Name: | Plan N Medicare Supplement Rates | | |
| Project Name/Number: | / | | |

Response Letter

| | |
|------------------------|--------------------|
| Response Letter Status | Submitted to State |
| Response Letter Date | 06/10/2011 |
| Submitted Date | 06/10/2011 |

Dear Stephanie Fowler,

Comments:

Thank you for your note.

Response 1

Comments: The Actuarial Memorandum is actually just four pages. Pages 5-10 are the rate pages which have been added to the Rate/Rule Schedule. Prior to SERFF, the actuaries added the rate pages at the end of the Actuarial Memorandum and continued the page numbering. Now the Actuarial Memo and the rates have to be separated out because they need to be attached to different tabs in SERFF.

Do you want me to have the actuary re-number the Actuarial Memo pages, and maybe the rate pages, too, or will you accept my explanation of the numbering discrepancy?

Related Objection 1

Applies To:

- Health - Actuarial Justification (Supporting Document)

Comment:

The page numbers on this form reflect that there are 10 pages, however, only four are showing up. Please attach the rest of this information or advise that all the information you intended to send is attached.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

| | | | |
|--------------------------|---|------------------------|-----------------------|
| SERFF Tracking Number: | PHYS-127189272 | State: | Arkansas |
| Filing Company: | Physicians Mutual Insurance Company | State Tracking Number: | 48918 |
| Company Tracking Number: | | | |
| TOI: | MS08I Individual Medicare Supplement - Standard Plans 2010 | Sub-TOI: | MS08I.011 Plan N 2010 |
| Product Name: | Plan N Medicare Supplement Rates | | |
| Project Name/Number: | / | | |

Response 2

Comments: Thank you for your consideration.

Related Objection 1

Applies To:

- Health - Actuarial Justification (Supporting Document)

Comment:

AR Code Ann. 23-79-109(a)(4) states, "all Medicare supplement rates shall be based on a composite age basis only, and shall not be based on any age banding or other groupings." According to the Actuarial Certification your company is intending on going to two rating structures with the rates varying for every age. Please advise if this is actually the case.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,
Sonja Morton

| | | | |
|--------------------------|--|------------------------|-----------------------|
| SERFF Tracking Number: | PHYS-127189272 | State: | Arkansas |
| Filing Company: | Physicians Mutual Insurance Company | State Tracking Number: | 48918 |
| Company Tracking Number: | | | |
| TOI: | MS08I Individual Medicare Supplement - Standard Plans 2010 | Sub-TOI: | MS08I.011 Plan N 2010 |
| Product Name: | Plan N Medicare Supplement Rates | | |
| Project Name/Number: | / | | |

Rate Information

Rate data applies to filing.

Filing Method:

Rate Change Type:

Neutral

Overall Percentage of Last Rate Revision:

0.000%

Effective Date of Last Rate Revision:

05/11/2011

Filing Method of Last Filing:

SERFF

Company Rate Information

| Company Name: | Overall % Indicated Change: | Overall % Rate Impact: | Written Premium Change for this Program: | # of Policy Holders Affected for this Program: | Written Premium for this Program: | Maximum % Change (where required): | Minimum % Change (where required): |
|--|-----------------------------------|---------------------------|---|---|---|--|--|
| Physicians Mutual Insurance Company | 0.000% | 0.000% | \$0 | 0 | \$0 | 0.000% | 0.000% |

SERFF Tracking Number: PHYS-127189272 State: Arkansas

Filing Company: Physicians Mutual Insurance Company State Tracking Number: 48918

Company Tracking Number:

TOI: MS08I Individual Medicare Supplement - Sub-TOI: MS08I.011 Plan N 2010
Standard Plans 2010

Product Name: Plan N Medicare Supplement Rates

Project Name/Number: /

Rate/Rule Schedule

| Schedule Item Status: | Document Name: | Affected Form Numbers: (Separated with commas) | Rate Action: | Rate Action Information: | Attachments |
|-------------------------------|------------------------|---|--------------|---|---|
| Approved-Closed 07/07/2011 | P029AR Rates Reduction | P029AR | Other | Previous State Filing Number: Rate Action Other Explanation: | 48457 P029AR Rates_Reduction. Replacin pdf g original rates filed with those attached |

Exhibit A

Proposed

Issue Age

Rate Table

PHYSICIANS MUTUAL INSURANCE COMPANY

Table of Rates

Medicare Supplement Policy

PLAN N

ARKANSAS

201F

Automatic Bank Withdrawal

Base Premiums

| Age | Agency Issue Age |
|-------|------------------------|
| 65-99 | \$ 179.63 |

Please refer to AREA-PMIC-033111 for areas and factors.

Please refer to MS-DISCOUNT-STD-040709 for discounts and age forgiveness rating.

To obtain Monthly rates, add \$5 to the above-quoted Automatic Bank Withdrawal rates. To obtain Quarterly, Semi-Annual, and Annual rates, multiply the above quoted Automatic Bank Withdrawal by 3, 6, and 12 respectively.

P029-AR-052711

Exhibit B

Schedule

for

Zip Codes

and

Area Factors

Physicians Mutual Insurance Company

Omaha, Nebraska
MEDICARE SUPPLEMENT
AREA RATING ZIP CODES

Plans A, B, F, N and HDF

| Area A 0.75 | Area B 0.80 | Area C 0.85 | Area D 0.90 | Area E 0.95 | Area F 1.00 | Area G 1.05 | Area H 1.10 | Area I 1.15 | Area J 1.20 | Area K 1.25 | Area L 1.30 | Area M 1.35 | Area N 1.40 | Area O 1.45 | Area P 1.50 | Area Q 1.55 | Area R 1.60 | Area S 1.65 | Area T 1.70 | Area U 1.75 | Area V 1.80 | Area W 1.85 | Area X 1.90 | Area Y 1.95 | Area Z 2.00 |
|---|--|--|--|---|---|--|---|---|--|----------------|----------------|--|----------------|----------------|----------------|--|----------------|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 226-229 239-246 521, 538 545-547 | 500-516, 520 522-525 527-528, 535 537, 539-540 544, 548-549 656-658 | 201, 220-225 230-238 386-388 390-393 396-397, 526 541-543, 559 613, 634-639 644-648 650-655 683-684, 686 688-693 843-844, 847 976, 978-979 | 155, 157-188 195-196 304-307,310 312, 315-319 389, 398 437-438, 446 449, 460, 461 465-468, 470 472-475, 499 530, 550, 553 556-558 560-567 570-577 580-588 590-599, 685 687, 748 820-831 83414 840-842 873-874 877-884 973-975, 977 995-999 | 030-038, 254 257, 261-268 290-291, 293 296-298 377-383, 385 394, 403-427 430, 432-433 448, 456-458 462, 469, 471 476-479 490-491 494-495, 498 551, 554 609-612 614-616 617-619 623-629, 666 716-718 723-729, 730 734-741 743-747, 749 797-798, 803 807-809 810-816, 839 845-846, 870 875, 893-895 897-898, 942 955-958, 982 986, 988-991 993-994 | 150-154, 156 206-219, 199 249-253 255-256, 260 270-289, 292 294-295, 299 300-303 308-309, 311 313-314 356-369, 371 373-376, 384 399, 400, 431 434-435, 439 442, 447 450-455 463-464, 493 496-497 531-532, 534 630-631, 633 640-641 660-662 664-665 667-681 712-713 719-721, 731 766-769 790-792 795-796, 799 871-872 967-968 970-972 980-981 983-985, 992 | 354-355, 370 372, 401-402 705-706, 710 755-756 758-759 763-765 778-781 783-789, 793 805, 850-853 804, 806 855-857, 859 930-932,934 936-939 950-954 959-961 | 189-194 197-198, 323 350-352, 395 440, 443-445 436, 441 488-489, 492 486-487 707-708, 711 714, 754 782, 800-802 804, 806 889-891 | 247-248 703-704 750-753, 757 773-774, 777 794 | 320, 327 335-336, 338 342, 347 922-925, 933 935, 945-949 | 770, 772, 775 | | 322, 328-329 337, 339, 346 484-485 | 700 | 701 | | 330-334 340-341, 343 345, 348-349 480-483 | | 900-921 926-928 940-941 943-944 | | | | | | | |

All Other Plans

| Area A 0.75 | Area B 0.80 | Area C 0.85 | Area D 0.90 | Area E 0.95 | Area F 1.00 | Area G 1.05 | Area H 1.10 | Area I 1.15 | Area J 1.20 | Area K 1.25 | Area L 1.30 | Area M 1.35 | Area N 1.40 | Area O 1.45 | Area P 1.50 | Area Q 1.55 | Area R 1.60 | Area S 1.65 | Area T 1.70 | Area U 1.75 | Area V 1.80 | Area W 1.85 | Area X 1.90 | Area Y 1.95 | Area Z 2.00 |
|---|--|---|--|--|--|--|---|----------------|---|----------------|----------------|---|----------------|----------------|----------------|----------------|--|----------------|--|----------------|----------------|----------------|----------------|----------------|----------------|
| 226-229 239-246 521, 538 545-547 | 500-516 520, 522-525 527-528, 535 537, 539-540 544, 548-549 656-658 | 201, 220-225 230-238 386-388 390-393 396-397, 446 460-461, 526 541-543, 559 613, 634-639 644-648 650-655 683-684, 686 688-693 843-844, 847 973-979 | 155, 157-188 195-196 304-307, 310 312, 315-319 389, 398, 410 430, 432 437-438, 449 462, 465-468 470, 472-475 479, 499, 530 550, 553 556-558 560-567 570-577 580-588 590-599 630-631,633 685 687, 730 740-741, 748 814-816 820-831 83414 840-842, 870 873-874 877-880 881-882 883-884 995-999 | 030-038 150-154, 156 254, 257 255-256, 260 261-268 290-291, 293 296-298 300-303 308-309, 311 365-366, 371 376-383, 385 394, 399, 400 403-409 411-427 431, 433 434-435, 448 456-458, 469 471, 476-478 490-491 494-495, 498 551, 554 609-612 614-616 617-619 623-629, 666 681, 716-718 723-729, 731 734-739 743-747, 749 797-798, 803 807-813, 839 845-846 871-872, 875 893-895 897-898, 942 955-958 970-972, 982 986, 988-991 993-994 | 199, 206-219 249-253 255-256, 260 270-289, 292 294-295, 299 313-314 356-364 367-370 372-375, 384 401-402, 439 442, 447 450-455, 463 464, 493 496-497 531-532, 534 640-641 660-662 664-665 667-680 712-713 719-721 765-769 780-781 790-792 795-796, 799 805, 850-853 855-857 859, 860 863-865 967-968 980-981 983-985, 992 | 189-194 350-352 354-355, 440 605, 620, 622 705-706, 710 755-756 758-759 763-764, 776 778-779 782-789, 793 800-802, 804 806 959-961 | 197-198, 323 395, 441 443-445 488-489, 492 436, 486-487 600-604 703-704, 711 714, 750-754 774, 777, 889 | 757, 773, 794 | 320, 327 335-336, 338 342, 347, 775 922-925, 933 935, 945-949 | 770, 772 | | 322, 328-329 337, 339, 346 484-485, 700 | 701 | | | | 330-334 340-341, 343 345, 348-349 480-483 | | 900-921 926-928 940-941 943-944 | | | | | | |

Exhibit C

Schedule

For

Discounts

PHYSICIANS MUTUAL INSURANCE COMPANY

2600 DODGE STREET
OMAHA, NEBRASKA 68131

**MEDICARE SUPPLEMENT
AVAILABLE DISCOUNTS
AGENT SOLICITED BUSINESS**

| <u>Discount</u> | <u>Amount</u> |
|---|---------------|
| Non-Tobacco Discount Only | 10% |
| Long-Term Care Discount Only | 10% |
| Annuity Discount Only | 5% |
| Non-Tobacco Discount with Long-Term Care Discount | 20% |
| Non-Tobacco Discount with Annuity Discount | 15% |
| Long-Term Care Discount with Annuity Discount | 15% |
| Non-Tobacco Discount with Long-Term Care, and Annuity Discounts | 25% |
| Medicare Supplement Household Discount | \$5 per Month |

MS-DISCOUNT-STD-040709